



DEPARTMENT OF STATE
INFORMATION MEMORANDUM

S/S

1981 OCT 14 PM 6 37

SECRET/SENSITIVEBUREAU OF EAST ASIAN
AND PACIFIC AFFAIRS

TO: The Secretary

FROM: EA - John H. Holdridge

SUBJECT: Threats to ASEAN Consensus on Kampuchea

Attitudes Toward the Resistance

While the formal ASEAN position supports a coalition of the Khmer Rouge, Sihanouk and Son Sann, coupled with efforts to increase the non-communist components of the coalition, individual ASEAN capitals have different perceptions of this nominally common approach. The gulf between Indonesia and the rest of ASEAN is particularly dangerous to our strategy and objectives.

-- Singapore proposes a Singapore-Thailand-Malaysia-US led effort now to strengthen rapidly the non-communist component.

-- Thai Prime Minister Prem in his conversation last week with Vice President Bush sought "guns and money" from the U.S. as soon as a coalition is formed. From Prem's entourage we understand that the Thais hope to press the Khmer into formation of a coalition in an October 28 meeting in Bangkok.

-- Malaysia's Ghazali Shafie emphatically wants to strengthen the non-communists within or outside of a coalition to shut the Khmer Rouge and China out of Kampuchea and drive a wedge between China and the U.S. on Indochina. Ghazali envisions a strengthened non-communist group reaching an accommodation or coalition with the Heng Samrin regime in Phnom Penh in conjunction with a full Vietnamese withdrawal. Such accommodation would allow strong Vietnamese political, but not military, influence to continue in Kampuchea.

-- Indonesian officials, particularly General Benny Murdani (who has just been in Washington for extensive consultations) could countenance accommodation now of Vietnamese domination of Kampuchea to end the current

State Dept. review completed

SECRET/SENSITIVE
(RDS-3-10/14/01)

SECRET/SENSITIVE

- 2 -

confrontation, shut out Chinese influence, leave Indochina under Vietnam as a buffer against China, and, Murdani would hope, reduce Soviet influence in Indochina. Indonesia's President Suharto and Foreign Minister Mochtar, while favoring accommodation, have said they would not accept accommodation at the cost of Thai security and the unity of ASEAN. Malaysia and the Thais are reconfirming Indonesia's commitment to the common approach.

-- The Philippines supports the consensus.

There is growing concern among all the ASEAN's, including recently the Thais, over Chinese handling of the DK in the negotiations of a coalition government. All see Beijing and the DK as rigidly attempting to retain Khmer Rouge power before and after a possible settlement.

Despite these tensions and differing perceptions, ASEAN has thus far been able to maintain its consensus on Kampuchea strategy. Nevertheless, the fissures seem to be widening and we are concerned that their continued exacerbation could at some stage risk the consensus and our objectives.

Threats to the Consensus

The common ASEAN position could be jeopardized by the absence of willingness on the part of ASEAN's supporters, particularly the U.S., to become engaged in support for the non-communist Khmer. ASEAN, particularly Singapore and Malaysia, have raised the subject of support for the non-communist Khmer with Japan, France, Australia and New Zealand, as well as with us. While France and Australia indicated that they might provide some support at some juncture, basically all, including ourselves, have temporized.

Progress toward a Khmer coalition government has also been an important element of the ASEAN strategy designed in part to retain Western support on the DK credentials issue, the major weak point of the strategy. The UK has indicated that the European community may not go along with the DK vote next year unless a coalition with a substantial non-communist component comes into being. Talks thus far have led to only a rough agreement in principle among the Khmer. The DK has inflexibly attempted to retain maximum political power commensurate with its military position and in light of what Khmer Rouge leaders see, shortsightedly, as the DK's improved international position. Son Sann has made serious concessions, but is discouraged and may end the talks soon and rely on a "gentleman's agreement" to resist the Vietnamese without adopting any formal coalition structure. Sihanouk has played a harmonizing role. The Thais, nevertheless, hope for a definitive agreement in the October 28 meeting.

SECRET/SENSITIVE

SECRET/SENSITIVE

- 3 -

Conclusion

Failure to find non-ASEAN support for the non-communists, and failure to establish a coalition could seriously strain ASEAN and jeopardize the consensus.

Likewise, our failure to respond to ASEAN appeals is regarded as a lack of U.S. support and could trigger a reevaluation by ASEAN of the strategy, which could affect adversely allied and U.S. interests. Some, particularly the Indonesians, might seize on our inaction to push for a more accommodationist course. Our failure to respond would also be interpreted by some as further evidence of a U.S. tilt toward China at ASEAN's expense.

Our response to ASEAN appeals need to be couched in terms of preparedness to supplement ASEAN's own efforts, and tailored to the credibility of the evolving resistance. A limited U.S. humanitarian and financial response to a unified ASEAN appeal should suffice.

While a Presidential finding would be required to proceed, I propose a package along the following lines:

-- Increased humanitarian food assistance on the border. Increases are already programmed through the Joint Mission and directly through private U.S. relief agencies.

-- \$1-2 million for additional humanitarian assistance ~~now~~ to the non-communists for food and medicine (probably through the Thai).

-- \$1-2 million for Son Sann's and Sihanouk's world-wide administrative/informational costs and activities.

-- We would increase FMS credits to Thailand. No direct transfer to Kampuchea would be envisaged. We have already reprogrammed an additional \$3.4 million in FMS credits for Thailand from FY 81 funds, telling the Thai that the increase was in recognition of Thailand's increased burden associated with Kampuchea. We would also look for a small additional sum in FMS credits in FY 82.

This possible package has been informally discussed with NSC, CIA and ISA. There is general agreement that this would meet our political needs vis-a-vis ASEAN without getting us out front or prematurely entangled in Khmer factional infighting. CIA stresses, and we agree, the need to use the Thais as much as possible, rather than a direct USG channel to the Khmer groups along the border.

SECRET/SENSITIVE

Drafted: EA/VLK:LDAnderson:mm
10/14/81:X23132

Cleared: EA:FZBrown
INR:RFlanegin (SUBS)
EA:DAODonohue (SUBS)